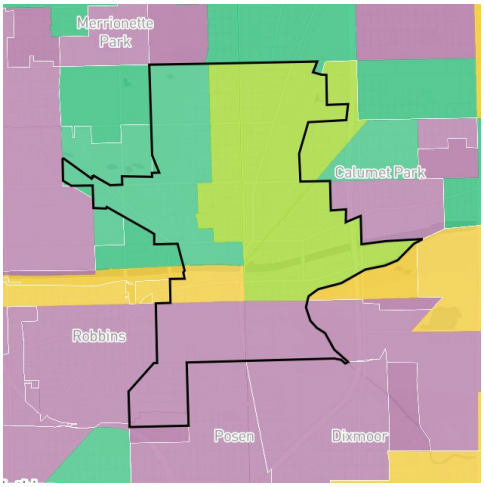
REGIONAL HOUSING SOLUTIONS

# Blue Island

https://www.regionalhousingsolutions.org/municipality/blue-island

## Submarkets (What is a submarket?)




**49% of Blue Island is in Submarket 2.**
Higher density urban and suburban, large households, high foreclosure/moderate vacancy, low/moderate income

**25% of Blue Island is in Submarket 4.**
Suburban post-war housing stock, moderate- and middle-income, lower cost stock

**22% of Blue Island is in Submarket 5.**
Suburban 1960-79 housing stock, moderate but declining incomes, lower cost stock

**4% of Blue Island is in Submarket 1.**
Higher density urban, high foreclosure and vacancy, low income

Areas with a similar combination of these submarkets:

Albany Park
Archer Heights
Armour Square
Avondale
Belmont Cragin
Berwyn
Bridgeport
Brighton Park
Cicero
East Side
Gage Park
Hermosa
Highwood
Irving Park
Lower West Side
McKinley Park
Montclare
Portage Park
Rogers Park
South Lawndale
Stone Park
Summit
West Ridge

*Want to find housing data for your community? Download U.S. Census housing data and use the Homes for a Changing Region data guide to analyze it.*

## Issues + strategies

Most communities have multiple submarkets within their boundaries. The issues facing each submarket as well as strategies tailored to address them are outlined below.

| | Submarkets with primary focus | | | |
|---|---|---|---|---|
| **Issue** | **1** | **2** | **4** | **5** |
| "Setting the table" for development | | | ✓ | |

## Submarket 4

*Communities should take steps to prepare for and attract private market real estate investment.* Although communities in Submarket 4 have older housing stock and moderate-value homes, they still have many assets on which to build. However, Submarket 4 communities may not be prepared to leverage these assets because, in some cases, they have not taken strategic steps such as addressing troubled properties, improving streetscapes, updating development regulations, or assessing market conditions to prepare for development.

### Strategies

#### Maintaining distressed properties

Communities can take steps to secure and conceal vacant or abandoned properties.

*Communities can take steps to secure and conceal vacant or abandoned properties.* Reducing the visible signs of distress on a block, such as the negative effects of foreclosures or short sales, can help maintain nearby property values. Illinois law allows for priority liens for securing and maintaining abandoned residential property, and covers the removal of weeds, trees, bushes, grass, garbage, debris, or graffiti, and securing or enclosing the property. Under this law, municipalities recover their expenses after taxes are paid but before the mortgage is recovered. Thus, municipalities will recover even when the value of the property is less than the value of the mortgage. If municipalities are maintaining vacant property in their community, they should be sure to go through the necessary steps to file a high priority lien on the property. The Metropolitan Mayors Caucus and BPI's publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on this process. Learn more about strategies to deal with vacant property.

#### Make visible investments

Investments in the public-facing streets and façades of the community can help signal a positive investment climate to private developers and improve quality of life for residents.

*Investments in the public-facing streets and façades of the community can help signal a positive investment climate to private developers and improve quality of life for residents.* Façade and streetscape improvements may be funded by establishing a local Business Improvement District (BID), Special Service Area (SSA), or Tax Increment Financing (TIF) district. These mechanisms use property taxes to gather financial resources for improvements. The City of Chicago's TIF-Neighborhood Improvement Program (TIF-NIP) is a good example of how to structure a program to encourage exterior repairs and improvements.

#### Review regulations affecting real estate development

To better compete for private market real estate investments, communities can preemptively inventory and update development regulations.

*To better compete for private market real estate investments, communities can preemptively inventory and*

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |
| *update development regulations.* Development regulations protect community health, character, and safety, but can also sometimes be outdated or create unintended barriers to private investment. Some regulations are especially onerous and limit developer interest in investment, while others prohibit forms of development the community may wish to allow. For instance, density limitations may prohibit condo buildings in communities' historic downtowns. Large minimum lot sizes may prevent the development of starter homes or housing for older community residents. Similarly, point-of-sale requirements may excessively extend home sale transaction timelines. Communities should audit and potentially refresh existing regulations to ensure that they are not creating unintended or unnecessary barriers to development. Assistance may be available through the Urban Land Institute or local associations of realtors to help evaluate perceptions among private market actors of the difficulty of working in the community.<br><br>**Value of housing planning**<br>Municipalities should invest in planning to help define community character and long-term goals.<br>*Municipalities should invest in planning to help define community character and long-term goals.* In order to determine which strategies to pursue most actively, Submarket 4 communities must establish a market-feasible vision for future development. There are multiple avenues for evaluating alternatives and setting goals for the community, including hiring a market consultant, engaging in comprehensive planning, or undertaking a local housing plan, such as those provided by Homes for a Changing Region. | | | | |
| Attracting investment | | | | ● |

## Submarket 5

*Communities will need to develop creative strategies to attract additional investment and development.* Incentivizing infill can be difficult in mostly built-out areas. Many financial institutions do not provide mortgage products for homes at lower price points, limiting the ability to attract new families into some neighborhoods. Rehab may be needed in some areas, but homeowners may not be able to tap into equity loans because of poor market conditions. High property tax rates in some communities prohibit investment and limit affordability.

### Strategies

#### Approach to rehabilitation

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

*Municipal rehab programs can help certain residents address issues of deferred property maintenance.* Municipalities in Cluster 5 may consider developing rehab grant or loan programs for certain income-qualified homeowners. Many municipalities around the region have developed these programs, some with the support of federal Community Development Block Grant (CDBG) funding (Oak Park, Evanston) and others through their own municipal sources (East Dundee). Neighborhood Lending Services, Inc. (NLS) offers fixed rate home improvement loans in certain areas of the region. Municipalities in these areas should assist NHS with marketing to residents. Municipalities may also want to consider partnering with local banks to explore the development of a rehab financing product for their residents. Read more about the many different models of rehabilitation programs in the region.

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### Land banking

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.

*Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.* Land banks are governmental entities or nonprofit corporations that focus on the conversion of vacant, abandoned and tax delinquent properties into productive use and have proved to be a useful tool to help reinvent and revitalize neighborhoods. Most vacant and abandoned properties have many legal and financial barriers, such as years of back taxes and clouded title that make it difficult to attract investors. Land banks have the ability to hold land tax-free and clear title and/or extinguish back taxes, which can be essential when trying to attract buyers and investment. Land banks can work in partnership with municipalities to advance community-based goals. There are two successful examples of land banks in Illinois, in both the south suburbs and Cook County, and other areas of the region struggling with issues of vacancy and blight might consider the use of land banking as a tool in their community. The Center for Community Progress is a good starting point to learning about land banking. Learn more about strategies to deal with vacant property.

### Placemaking and marketing strategies

Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.

*Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.* Municipalities can make a concerted effort to enhance neighborhood character in Submarket 5 through strategic public investments such as neighborhood branding/signage, streetlights, sidewalks, etc. Public sector investment will likely signal to the private market a commitment to an area and make it more attractive for additional resources. Learn about placemaking strategies.

### Review regulations affecting real estate development

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*To better compete for private market real estate investments, communities can preemptively inventory and update development regulations.* Development regulations protect community health, character, and safety, but can also sometimes be outdated or create unintended barriers to private investment. Some regulations are especially onerous and limit developer interest in investment, while others prohibit forms of development the community may wish to allow. For instance, density limitations may prohibit condo buildings in communities' historic downtowns. Large minimum lot sizes may prevent the development of starter homes or housing for older community residents. Similarly, point-of-sale requirements may excessively extend home sale transaction timelines. Communities should audit and potentially refresh existing regulations to ensure that they are not creating unintended or unnecessary barriers to development. Assistance may be available through the Urban Land Institute or local associations of realtors to help evaluate perceptions among private market actors of the difficulty of working in the community.

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| Code issues | ✓ | ✓ | | ✓ |

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## Submarket 1

*Striking a balance between code enforcement to protect health and safety and the reality of existing building conditions can be challenging.* Many properties in Submarket 1 are more than 75 years old and not in compliance with regulations that ensure the health and safety of residents, including children who may be exposed to lead paint. Finding the right balance for addressing code issues is key for local leaders in these communities. Too aggressive enforcement can lead to vacancy and reduce neighborhood stability because building owners cannot afford to make all required repairs. Too lenient enforcement can lead to households living in unsafe or unsanitary conditions. The results of either approach compound over time and can serve as a deterrent to future permitted, market-driven rehabilitation.

### Strategies

#### Approach to rehabilitation

Municipal rehab programs can help residents address issues of deferred property maintenance.

*Municipal rehab programs can help residents address issues of deferred property maintenance.* Municipalities, counties, and non-profits have developed many different models for how to operate local rehabilitation programs. The key to success is choosing a structure that matches the size and scope of the code issues in the targeted community *and* matches the financial condition of building owners. Read more about the many different models of rehabilitation programs in the region. In this market, grants may be the best approach.

#### Rental unit monitoring and regulation

Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental housing quality and reduce problems.

*Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental housing quality and reduce problems.* Renters make up the largest group of households in Submarket 1. Due to challenges with the age and physical condition of buildings in Submarket 1 neighborhoods, communities may have concerns about the quality of the existing rental stock. Rental unit monitoring and regulation can help ensure good management of local apartments. In order to maximize their authority under state law, municipalities need to review the structure of their existing rental unit monitoring and regulations. Municipalities may want to consider implementing a performance-based rental regulation ordinance such as the one in place in the Village of Addison. Municipalities may also want to point owners of multifamily rental property to the abundance of resources at the Community Investment Corporation (CIC) for financing, energy efficiency, and property management training. Learn about best practice rental regulation strategies.

## Submarket 2

*Finding a balance between too aggressive and too lenient code enforcement can be difficult.* Development pressures in some parts of submarket 2 allow the market to either rehabilitate or replace older units with code issues. In other parts of submarket 2, where the market is comparatively weaker, communities struggle to find the right balance in addressing code issues. Too aggressive enforcement can lead to vacancy and reduced neighborhood stability because building owners cannot afford to make all the repairs. Too lenient enforcement can lead to households living in unsafe or unsanitary homes. Burdensome point of sale requirements may deter new investment in the community, and

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challenges with staff capacity can result in long waiting periods to complete required inspections. The results of either approach compound over time and can serve as a deterrent to future market-driven rehabilitation.

### Strategies

#### Rental unit monitoring and regulation

Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.

*Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.* With the number of rental properties in submarket 2, municipalities need to review the structure of their rental unit monitoring and regulation efforts to make sure that they are effectively maintaining the quality of the local rental stock in accordance with state law. Municipalities may want to consider implementing a performance-based rental regulation ordinance such as the one in place in the Village of Addison. Municipalities may also want to point owners of multifamily rental property to the abundance of resources at the Community Investment Corporation (CIC) for financing, energy efficiency, and property management training. Learn about best practice rental regulation strategies.

#### Strategic code enforcement on vacant properties

Code enforcement departments should create targeted intervention strategies based on certain property characteristics.

*Code enforcement departments should create targeted intervention strategies based on certain property characteristics.* Municipalities must find the right balance in code-enforcement work. Too lenient enforcement can allow vacant and abandoned properties to blight a neighborhood. Too stringent enforcement can deter additional investment in a neighborhood. For example, some municipalities have reported that boarding vacant properties actually discourages neighborhood investment and the best strategy is to make a property appear occupied. Code enforcement departments should maintain vacant property to the best of their ability and issue priority property maintenance liens as necessary. Even sending a notice to a property owner that a priority lien will be issued may encourage an owner to pay past fines or start taking an interest in the property. However, it is important for code enforcement departments to also make a plan when it is clear that the owner of a property is no longer being responsive. Outlining a strategy to identify properties that may need more aggressive intervention is important. At a certain point when the owner is no longer responding it may be more cost efficient in the long run to intervene with a more aggressive strategy. Communities must be willing to utilize the full arsenal of enforcement tools, including demolition or declaration of abandonment, if necessary. Learn more about strategies to deal with vacant properties.

#### Utilize demolition, fast-track, and abandonment authority

More aggressive strategies may be needed when owners become unresponsive.

*More aggressive strategies may be needed when owners become unresponsive.* When it is clear an owner of a vacant property is no longer being responsive, municipalities should consider more aggressive strategies. The Metropolitan Mayors Caucus and BPI's publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on abandonment, fast track demolition, and declaration of abandonment. Some south suburban municipalities have used their abandonment authority to take control of problem properties and then partner with the South Suburban Land Bank

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| **Issue** | **1** | **2** | **4** | **5** |

to transfer ownership of these properties to responsible owners. The Village of Lansing has been using abandonment petitions to gain control of vacant properties, reduce strain on municipal resources, and attract investment. Learn more about strategies to deal with vacant properties.

## Submarket 5

*Finding a balance between too aggressive and too lenient code enforcement can be difficult.* In some parts of Submarket 5, where the market is weaker, communities struggle to find the right balance in addressing code issues. Too aggressive enforcement can lead to vacancy and reduced neighborhood stability because building owners cannot afford to make all the repairs. Burdensome point of sale requirements may deter new investment in the community, and challenges with staff capacity can often result in long waiting periods to complete required inspections. On the other hand, too lenient enforcement can lead to deteriorating property conditions and households living in unsafe or unsanitary homes. The results of either approach compound over time and can serve as a deterrent to future market-driven rehabilitation.

### Strategies

#### High priority property maintenance liens

Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property.

*Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property.* Illinois law allows for priority liens for securing and maintaining abandoned residential property. The law applies to any type of permanent dwelling unit that has been unoccupied for at least 90 days and for which the municipality attempted to contact the owner(s) or the owner's agent(s) but was unable to reach anyone. It covers the removal of weeds, trees, bushes, grass, garbage, debris, or graffiti, and securing or enclosing the property. Liens obtained under this law are superior to all other liens, except taxes. Under this law, municipalities recover their expenses after taxes are paid but before the mortgage is recovered. Thus, municipalities will recover even when the value of the property is less than the value of the mortgage. If municipalities are maintaining vacant property in their community, they should be sure to go through the necessary steps to file a high priority lien on the property. The Metropolitan Mayors Caucus and Business and Professional People for the Public Interest's (BPI) publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on this process. Learn more about strategies to deal with vacant property.

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Learn about best practice rental regulation strategies.

**Strategic code enforcement on vacant properties**

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| | | | | |
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| Foreclosure | ✓ | ✓ | | |

## Submarket 1

*Although filings have slowed down, foreclosures are still more common in Submarket 1 communities than elsewhere in the region.* In Illinois, foreclosure is a long process, generally taking many months—if not years—from the initial filing to the final disposition of the foreclosed property. In many instances, properties stand empty for long periods after residents are evicted but before the foreclosure is resolved. Long-term vacancy accelerates physical deterioration as property security and maintenance decline. Blighted foreclosures threaten community safety and quality of life by triggering declines in nearby property values and increased incidences of arson, vandalism, and other crimes.

**Strategies**

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

### Dealing with foreclosure

Local supports can help families and individuals impacted by foreclosure.

*Local supports can help families and individuals impacted by foreclosure.* Foreclosure continues to be an issue throughout Submarket 1 communities. Local officials, non-profits, and community institutions should become acquainted with local HUD-certified housing counseling agencies in order to connect residents with counseling resources, including mortgage delinquency and foreclosure prevention options. Housing Action Illinois can introduce communities to available counseling programs and services for owners. Renters are also adversely affected by foreclosure, often suffering deteriorating building conditions and ultimately eviction. To protect renters, communities may wish to explore local rules similar to the Keep Chicago Renting Ordinance to establish rights for tenants during foreclosure.

### High priority property maintenance liens

Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property.

*Municipalities should utilize priority liens to recover costs incurred for securing and maintaining abandoned residential property.* Illinois law allows for priority liens for securing and maintaining abandoned residential property. The law applies to any type of permanent dwelling unit that has been unoccupied for at least 90 days and for which the municipality attempted to contact the owner(s) or the owner's agent(s) but was unable to reach anyone. It covers the removal of weeds, trees, bushes, grass, garbage, debris, or graffiti, and securing or enclosing the property. Liens obtained under this law are superior to all other liens, except taxes. Under this law, municipalities recover their expenses after taxes are paid but before the mortgage is recovered. Thus, municipalities will recover even when the value of the property is less than the value of the mortgage. If municipalities are maintaining vacant property in their community, they should be sure to go through the necessary steps to file a high priority lien on the property. The Metropolitan Mayors Caucus and Business and Professional People for the Public Interest's (BPI) publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on this process. Learn more about strategies to deal with vacant property.

### Housing counseling

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### Land banking

Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.

*Land banks can be used as a strategic tool to acquire problem vacant properties and convert them into assets.* Land banks are governmental entities or nonprofit corporations that focus on the conversion of vacant, abandoned and tax delinquent properties into productive use and have proved to be a useful

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tool to help reinvent and revitalize neighborhoods. Most vacant and abandoned properties have many legal and financial barriers, such as years of back taxes and clouded title that make it difficult to attract investors. Land banks have the ability to hold land tax-free and clear title and/or extinguish back taxes, which can be essential when trying to attract buyers and investment. Land banks can work in partnership with municipalities to advance community-based goals. There are two successful examples of land banks in Illinois, in both the south suburbs and Cook County, and other areas of the region struggling with issues of vacancy and blight might consider the use of land banking as a tool in their community. The Center for Community Progress is a good starting point to learning about land banking. Learn more about strategies to deal with vacant property.

### Resource targeting

Targeting resources can increase their impact.

*Targeting resources can increase their impact.* Submarket 1 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost-burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

### Strategic code enforcement on vacant properties

Code enforcement departments should create targeted intervention strategies based on property characteristics.

*Code enforcement departments should create targeted intervention strategies based on property characteristics.* Maintenance of vacant and abandoned property is important to stem blight and preserve the potential for additional investment in a neighborhood. Some communities have reported that boarding vacant properties actually discourages neighborhood investment, and the best strategy is to make a property appear occupied where possible. Suburban municipalities with Submarket 1 neighborhoods should maintain vacant property to the best of their ability and issue priority property maintenance liens as necessary. Even sending a notice to a property owner that a priority lien will be issued may encourage an owner to pay past fines or start taking an interest in the property. However, it is important for municipalities to develop a code enforcement plan when it is clear that the property has been abandoned. Outlining a strategy to identify properties that may need more aggressive intervention is important and may be more cost efficient in the long run.

### Utilize demolition, fast-track, and abandonment authority

More aggressive strategies may be needed when owners become unresponsive.

*More aggressive strategies may be needed when owners become unresponsive.* When it is clear an owner of a vacant property is no longer being responsive, municipalities should consider more aggressive strategies. The Metropolitan Mayors Caucus and BPI's publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on abandonment, fast track demolition, and declaration of abandonment. Some south suburban municipalities have used their abandonment authority to take control of problem properties and then partner with the South Suburban Land Bank to transfer ownership of these properties to responsible owners. The Village of Lansing has been using abandonment petitions to gain control of vacant properties, reduce strain on municipal resources, and attract investment. Learn more about strategies to deal with vacant properties.

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## Submarket 2

*Communities struggle to determine how best to deal with foreclosures.* Stakeholders raised concerns about the ongoing impact of foreclosures in submarket 2. The lingering effects depend on the proximity to other markets. Near stronger submarkets, like 3 and 7, foreclosures can be addressed more easily, with units often reoccupied, whether by owners or renters. In other areas, communities struggle to determine how best to deal with foreclosures. If not properly addressed, foreclosures can begin a neighborhood cycle of disinvestment. Prolonged disinvestment drives property abandonment, resulting in demolition in many cases. While demolition may represent an immediate benefit to surrounding residents, high rates of demolition can also create new challenges by disrupting the fabric of the built environment.

### Strategies

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#### Housing counseling

Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents.

*Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents.* Housing Action Illinois provides information about housing counseling agencies across the region. Residents can get access to financial management and budget counseling, mortgage delinquency and default counseling, pre-purchase education, one-on-one homeownership counseling, rental information, fair housing guidance, rehabilitation programs, reverse mortgage counseling, homeless prevention support, predatory lending education, and foreclosure prevention options.

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*Targeting resources can increase their impact.* Submarket 2 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

### Review regulations affecting real estate development

Communities may want to review Point of Sale requirements in order to determine if they are discouraging investment in the municipality.

*Communities may want to review Point of Sale requirements in order to determine if they are discouraging investment in the municipality.* Burdensome Point of Sale requirements—the steps that a seller or purchaser must go through with a municipality to buy a sell or unit—can dampen market interest in a community. An internal audit of Point of Sale requirements that considers the time to complete the entire process may prove helpful. Communities may consider conducting a focus group of potential developers/investors to gather feedback on the requirements and how they can be improved. Municipalities want to be sure their process is efficient, and at times flexible, in order to encourage sales activity in the community.

### Strategic code enforcement on vacant properties

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| **Issue** | **1** | **2** | **4** | **5** |
| cost efficient in the long run to intervene with a more aggressive strategy. Communities must be willing to utilize the full arsenal of enforcement tools, including demolition or declaration of abandonment, if necessary. Learn more about strategies to deal with vacant properties.<br><br>**Utilize demolition, fast-track, and abandonment authority**<br>More aggressive strategies may be needed when owners become unresponsive.<br>*More aggressive strategies may be needed when owners become unresponsive.* When it is clear an owner of a vacant property is no longer being responsive, municipalities should consider more aggressive strategies. The Metropolitan Mayors Caucus and BPI's publication on Vacant Building Ordinances provides detailed information and step-by-step guidance on abandonment, fast track demolition, and declaration of abandonment. Some south suburban municipalities have used their abandonment authority to take control of problem properties and then partner with the South Suburban Land Bank to transfer ownership of these properties to responsible owners. The Village of Lansing has been using abandonment petitions to gain control of vacant properties, reduce strain on municipal resources, and attract investment. Learn more about strategies to deal with vacant properties. | | | | |
| Form matches current demand | | | ✓ | |

## Submarket 4

*These walkable, higher density communities with access to rail transit may be attractive to current consumers.* Due to their age, many Submarket 4 communities are close to the City of Chicago, or within older subregional job centers like Aurora or Waukegan, with strong access to public transit resources. Many of these older communities also have architecturally notable smaller homes on smaller lots, which may be an asset considering changing consumer preferences. Combined with walkable, moderate-density town centers, these assets have the potential to attract investment, especially as family formation continues among millennials.

### Strategies

#### Placemaking and marketing strategies

Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.

*Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.* Municipalities can make a concerted effort to enhance neighborhood character in Submarket 4 through strategic public investments such as neighborhood branding/signage, streetlights, sidewalks, etc. Public sector investment will likely signal to the private market a commitment to an area and make it more attractive for additional resources. Learn about placemaking strategies. In addition, marketing the local community can also be useful. However, any marketing campaign must be based in frank self-assessment of existing assets and market realities. The "Why Berwyn?" campaign provides a good example of an asset-based approach to community marketing.

#### Value of housing planning

| | Submarkets with primary focus | | | |
|---|---|---|---|---|
| **Issue** | **1** | **2** | **4** | **5** |

Municipalities should invest in planning to help define community character and long-term goals.

*Municipalities should invest in planning to help define community character and long-term goals.* In order to determine which strategies to pursue most actively, Submarket 4 communities must establish a market-feasible vision for future development. There are multiple avenues for evaluating alternatives and setting goals for the community, including hiring a market consultant, engaging in comprehensive planning, or undertaking a local housing plan, such as those provided by Homes for a Changing Region.

| | | | | |
|---|---|---|---|---|
| Growing senior population | ✓ | | | |

## Submarket 1

*As local homeowners age, there is a need for appropriate senior housing as well as a pipeline of purchasers for the family homes they are leaving behind.* Older adults in Submarket 1 may have trouble accessing reasonably priced housing appropriate for their changing needs, like accommodations for limited mobility. Retrofitting resources along with additional local housing options for seniors are critical to keeping these long-tenured residents in the community. At the same time, developing a pipeline of new owners to take over vacated housing is also important, creating a potential matchmaking role for elected officials, nonprofits, and other institutional actors in Submarket 1.

### Strategies

#### Meeting the needs of aging residents

As the region ages, it is critical for communities to address the housing needs of older adults.

*As the region ages, it is critical for communities to address the housing needs of older adults.* Many homeowners in Submarket 1 are aging and in need of high quality housing options that fit their current stage in life. Inside the City of Chicago, low-income seniors who wish to age in place in their longtime homes can secure home modification assistance through the Small Accessible Repairs for Seniors (SARFS) program, which provides grab bars, lever faucets, door repairs, and wheelchair ramps for qualified owners. Federally subsidized apartment buildings limited to seniors can also offer important options for older residents on a fixed income. Finally, communities should also allow diverse living arrangements, including "Families of choice" (groups of individuals who are not biologically related but live together and share a kitchen), multigenerational housing, and housing options for older adults and caregivers to live together. Learn more strategies for creating age-friendly neighborhoods.

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| Legacy of disinvestment | ✓ | | | |

## Submarket 1

*Long-term flight of residents and capital from communities can create barriers to reinvestment.* Many communities in Submarket 1 suffer from the long-term loss of businesses and residents, resulting in local populations considerably lower than peak levels reached in the 20th century. Over time, this supply-demand mismatch—exacerbated by related issues like high rates of foreclosure and the historical legacy of racially discriminatory real estate practices—contributed to widespread vacancy and disinvestment in Submarket 1. Prolonged disinvestment drives property abandonment, resulting in

demolition in many cases. While demolition may represent an immediate benefit to surrounding residents, high rates of demolition can also create new challenges by disrupting the fabric of the neighborhood.

### Strategies

#### Adaptive reuse

Opportunities exist to reimagine obsolete buildings as housing or other community amenities.

*Opportunities exist to reimagine obsolete buildings as housing or other community amenities.* The presence of large older industrial or commercial buildings lends itself adaptive reuse. Recent regional examples of adaptive reuse for housing include the Karcher Artspace Lofts, Goldblatt's Senior Living, Pullman Wheelworks, and Town Hall Apartments. Adaptive reuse helps to preserve the architectural heritage of communities while providing new uses in unused spaces.

#### Affirmative marketing

Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.

*Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.* However, any marketing campaign must be based in frank self-assessment of existing assets and market realities. The "Why Berwyn?" campaign provides a good example of an asset-based approach to community marketing.

#### Dealing with foreclosure

Local supports can help families and individuals impacted by foreclosure.

*Local supports can help families and individuals impacted by foreclosure.* Foreclosure continues to be an issue throughout Submarket 1 communities. Local officials, non-profits, and community institutions should become acquainted with local HUD-certified housing counseling agencies in order to connect residents with counseling resources, including mortgage delinquency and foreclosure prevention options. Housing Action Illinois can introduce communities to available counseling programs and services for owners. Renters are also adversely affected by foreclosure, often suffering deteriorating building conditions and ultimately eviction. To protect renters, communities may wish to explore local rules similar to the Keep Chicago Renting Ordinance to establish rights for tenants during foreclosure.

#### Resource targeting

Targeting resources can increase their impact.

*Targeting resources can increase their impact.* Submarket 1 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost-burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

#### Value of housing planning

Planning can help communities address their unique set of assets and challenges.

*Planning can help communities address their unique set of assets and challenges.* The particular issues that Submarket 1 communities face can be addressed through comprehensive planning, as well as

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |
| individualized local housing plans, such as through Homes for a Changing Region. These plans may include market analysis to help guide communities toward market-feasible development. | | | | |
| Moderate cost but rising levels of cost burden | | | ✓ | |

## Submarket 4

*Although housing costs are relatively low, community members may still struggle with housing payments.* Many residents benefit from the moderate costs associated with living in Submarket 4 communities. However, due to stagnant or declining incomes, some owners and renters are now paying more than they can afford on rent or mortgage and utilities. As the share of households struggling with housing costs rise, it becomes less likely that homeowners will have resources to maintain or improve their homes, and some residents may be vulnerable to homelessness.

### Strategies

#### Housing counseling

Programs to help homeowners affordably purchase homes and avoid foreclosure can increase community stability.

*Programs to help homeowners affordably purchase homes and avoid foreclosure can increase community stability.* Although Submarket 4 communities were not the most severely affected by the 2008 housing crisis, effects of the crisis—in terms of foreclosures, distressed sales, and cash sales—still remain. To help owners confronting foreclosure and make sure new owners are taking out affordable, sustainable loans, Submarket 4 communities should strengthen connections with their local HUD-certified housing counseling agencies and encourage residents to seek counseling. Housing Action Illinois, the statewide housing counseling intermediary, can help communities identify appropriate counseling resources.

#### Preservation and expansion of affordable housing

Supporting residents with affordable housing can help meet cost burden challenges.

*Supporting residents with affordable housing can help meet cost burden challenges.* Since the share of community members in Submarket 4 struggling to pay for housing is growing, municipalities should seek non-profit partners to develop permanent affordable housing options within their boundaries. In Submarket 4 communities, affordable ownership and apartment programs could both be valuable. Affordable homeownership programs help moderate-income residents purchase homes through grants and low-cost loans. Affordable apartments, on the other hand, create lower-rent options that consume a sustainable portion of low-income households' income.

| | | | | |
|---|---|---|---|---|
| Potential for rapid neighborhood change | ✓ | ✓ | | |

## Submarket 1

*Submarket 1 communities closest to the Chicago central business district with access to rail transit are most vulnerable to rapid redevelopment.* Communities in Submarket 1 are primarily located within the City of

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

Chicago, with relatively high levels of access to transportation options. As developer interest in the Chicago city center continues unabated, there is some possibility that outside investors will seek to gain ownership of a large share of properties in some Submarket 1 areas for higher end redevelopment. Developer interest in these communities will likely be highest for those closest to the central business district with access to CTA rail transit.

**Strategies**

**Land trusts**

Communities facing rapid redevelopment may benefit from land trusts that provide affordable housing in perpetuity.

*Communities facing rapid redevelopment may benefit from land trusts that provide affordable housing in perpetuity.* Land trusts, like those operating in Chicago and the North Shore, are often an effective tool in helping preserve currently affordable units due to a land trust's unique ownership structure. When a land trust sells a unit to an owner, they only sell the improvements (i.e. the home), but not the land underneath.

**Preservation and expansion of affordable housing**

Subsidized housing resources can help provide individual and community stability, as well as meet economic goals.

*Subsidized housing resources can help provide individual and community stability, as well as meet economic goals.* Households stably housed in affordable developments have more financial resources available for investment in things like healthy food, prescriptions, and education. While individual subsidized households do not have high disposable incomes, in aggregate, they represent spending power that may be attractive to certain type of retail developments. Adding more affordable housing may, therefore, increase "rooftops" in the community and help jumpstart some forms of commercial development. In addition, new or recently rehabilitated affordable housing creates visible community investment, which may both assure potential developers and build community pride. For example, in Chicago's Woodlawn neighborhood, Preservation of Affordable Housing (POAH) has transformed hundreds of public housing units at the end of their useful life into the mixed-income Woodlawn Park, spurring the development of new market rate homes in the community.

## Submarket 2

*Proximity of submarket 2 to submarkets 3 and 7 increase the potential for rapid change.* Submarket 2 often abuts higher income or rapidly developing areas (i.e. submarkets 3 or 7). Market specialists think that the pressure on submarket 2 to change will not abate since these areas are often close-in with good job and transit access and a form attractive to many households.

**Strategies**

**Adaptive reuse**

Reusing existing buildings can help lower development costs and create affordable options.

*Reusing existing buildings can help lower development costs and create affordable options.* The age of the buildings in submarket 2, including the presence of large older industrial or commercial buildings, lends itself adaptive reuse, such as the Karcher Artspace Lofts in Waukegan.

**Affordability through reduced parking**

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

Reducing parking requirements can help to keep housing costs attainable.

*Reducing parking requirements can help to keep housing costs attainable.* Providing parking costs money. Higher sales prices or rents must support those costs. The more parking required by the municipality, the more expensive the development. For communities looking to preserve affordability or help create new housing at more affordable prices, reducing or eliminating parking requirements can help. In Chicago, the Transit-Oriented Development Ordinance (TOD) reduces or eliminates parking requirements near transit while density bonuses for developers who take advantage of the provisions. Many believe that this requirement has helped amplify the rental development boom in strong markets like Logan Square and the West Loop, opening up previously undevelopable parcels for action. In Libertyville, developers can cash out their parking requirements, paying the village a fee in lieu of parking not provided on-site.

### Community leadership

Strong local community groups can help involve existing residents in guiding the future of their neighborhood.

*Strong local community groups can help involve existing residents in guiding the future of their neighborhood.* Local institutional infrastructure also plays an important role in helping manage neighborhood change. For example, the Pilsen Land Use Committee offers neighborhood residents a forum to discuss potential new developments. Its role as a respected partner by many local non-profits, institutions, and government officials ensures that it can both represent local views and be involved in the decision-making process.

### Inclusionary zoning

Communities can use strong markets to create affordable housing.

*Communities can use strong markets to create affordable housing.* Some parts of submarket 2 are already changing rapidly. Inclusionary zoning efforts naturally work well in strong markets, levering new market rate units to add affordable units too. Many communities in the region have adopted inclusionary zoning ordinances, including Chicago (ARO), Evanston, Highland Park, and Lake Forest.

**Affordable requirements ordinance (ARO)**: Chicago adopted a new inclusionary housing ordinance in 2015. A number of stakeholders identified potential positives and negatives in the ARO. Yet, because the ordinance is so new, it remains to be seen how market rate developers will comply. Monitoring its implementation will help other communities understand whether it will serve as a model.

### Land trusts

Land trusts can provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.

*Land trusts can provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.* Land trusts, like those operating in Chicago and the North Shore, are often an effective tool in helping preserve currently affordable units due to a land trust's unique ownership structure. When a land trust sells a unit to an owner, they only sell the improvements (i.e. the home), but not the land underneath. By selling only the improvements, the purchaser can pay far less for a home.

### Preservation and expansion of affordable housing

Preserving affordable housing options can help existing residents stay in changing neighborhoods.

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |
| *Preserving affordable housing options can help existing residents stay in changing neighborhoods.* Ensuring existing residents have an opportunity to remain even as a neighborhood changes requires dedicated programs to preserve low cost units. For example, Chicago passed the Single-room Occupancy Preservation Ordinance in 2014, highlighting the value of municipal intervention to preserve a targeted unit type. Similarly, the work in Albany Park highlights the value of targeted work by local non-profits to preserve units in areas on the cusp of rapid change.<br><br>**Value of housing planning**<br>Using tools like Homes for a Changing Region can be valuable.<br>*Using tools like Homes for a Changing Region can be valuable.* Since the issues of greatest concern in submarket 2 neighborhoods depends heavily on the proximity of other submarkets and the strength of the market in those areas, local housing planning, such as that done through Homes for a Changing Region, is very valuable. | | | | |
| Prioritization | | ✓ | | |

## Submarket 2

*How much a community focuses on housing issues in submarket 2 depends on context.* Some communities focus on the housing issues in submarket 2 more than others. The emphasis likely depends on the mix of submarkets in a local community along with capacity. Municipalities with more vibrant housing markets or more distressed areas may not choose to focus on housing issues in this submarket, viewing it as stable.

### Strategies

#### Resource targeting

Targeting resources can increase their impact.

*Targeting resources can increase their impact.* Submarket 2 neighborhoods often attract funding to address local issues because of evidence of distress, like more foreclosures and high levels of cost burden. To ensure those resources maximize impact, communities, program operators, and funders should explore how to work closely in targeting those resources, as was done by Evanston with its Neighborhood Stabilization Program or Chicago with its Micro-Market Recovery Program.

#### Value of housing planning

Using tools like Homes for a Changing Region can be valuable.

*Using tools like Homes for a Changing Region can be valuable.* Since the issues of greatest concern in submarket 2 neighborhoods depends heavily on the proximity of other submarkets and the strength of the market in those areas, local housing planning, such as that done through Homes for a Changing Region, is very valuable.

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|---|---|---|---|---|
| Promoting market feasible development | ✓ | | | |

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

## Submarket 1

*To overcome multiple challenges in Submarket 1, leaders should use realistic, market-based assessments of private market development potential.* While Submarket 1 communities struggle with disinvestment and lack of private market interest, there are still interim steps that local elected officials, non-profits, and institutions can take to attract and shape development in the community. However, these steps require strategies based in market realities, and may include encouraging the development of new affordable housing resources in the community.

### Strategies

#### Affirmative marketing

Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.

*Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.* However, any marketing campaign must be based in frank self-assessment of existing assets and market realities. The "Why Berwyn?" campaign provides a good example of an asset-based approach to community marketing.

#### Preservation and expansion of affordable housing

Subsidized housing resources can help provide individual and community stability, as well as meet economic goals.

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#### Value of housing planning

Planning can help communities address their unique set of assets and challenges.

*Planning can help communities address their unique set of assets and challenges.* The particular issues that Submarket 1 communities face can be addressed through comprehensive planning, as well as individualized local housing plans, such as through Homes for a Changing Region. These plans may include market analysis to help guide communities toward market-feasible development.

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| Proximity | | | | ✓ |

## Submarket 5

*Communities may have an opportunity to build off of nearby assets.* Submarket 5 spans a wide geography

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

across the region, and in many areas there is bordering proximity to assets such as strong school districts and transit lines. Communities within submarket 5 should closely evaluate the relationship of their submarket to other submarkets and assets to take advantage of potential opportunities to attract investment.

**Strategies**

**Value of housing planning**

Using tools like Homes for a Changing Region can be valuable.

*Using tools like Homes for a Changing Region can be valuable.* In order to determine which strategies to pursue most actively, Submarket 5 communities must establish a market feasible vision for future development. Homes for a Changing Region is a very valuable tool that can help communities identify how to plan for the future of the local housing market and identify which strategies to prioritize.

| | | | | |
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| Rehabilitation challenges | | | | |

## Submarket 1

*In certain communities, the cost of renovation may exceed the value of the home or available rehab resources.* Some properties in Submarket 1 are in very poor physical condition, making it difficult to renovate them with limited public sector resources, and unfeasible with private sector resources. Banks struggle to underwrite renovation loans when the cost to bring a property up to a reasonable level of repair exceeds the potential sale price for the renovated home. For this reason, low values at sale for homes across Submarket 1 constrain the potential of rehabilitation for particular homes.

**Strategies**

**Approach to rehabilitation**

Municipal rehab programs can help residents address issues of deferred property maintenance.

*Municipal rehab programs can help residents address issues of deferred property maintenance.* Municipalities, counties, and non-profits have developed many different models for how to operate local rehabilitation programs. The key to success is choosing a structure that matches the size and scope of the code issues in the targeted community *and* matches the financial condition of building owners. Read more about the many different models of rehabilitation programs in the region. In this market, grants may be the best approach.

## Submarket 2

*Rehab programs may be underutilized.* In response to deferred maintenance and code issues, many organizations operate housing rehabilitation programs. Yet, these programs are not always heavily used. The cost of bringing a unit up to code may exceed available funding, limiting the utility of the program to local residents. On the other hand, in some areas of Submarket 2, market pressures may make rehab more financially feasible.

**Strategies**

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

**Approach to rehabilitation**

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

*Municipal rehab programs can help certain residents address issues of deferred property maintenance.* Municipalities, counties, and non-profits have developed many different models for how to operate local rehabilitation programs. The key to success is choosing a structure that matches the size and scope of the code issues in the targeted community *and* matches the financial condition of building owners. Read more about the many different models of rehabilitation programs in the region.

## Submarket 4

*The age and condition of homes may be a barrier to redevelopment, despite other advantages.* Moderate home values in Submarket 4 have an effect on resources available to renovate properties both for existing homeowners and potential in-movers. If the value of a renovated home at sale is lower than the investment required to perform desired renovations, bank capital for rehabilitation may be limited. Public sector partners can help bridge this gap with low-cost loans and grants for rehabilitation. However, even where available, these programs are not always widely used when the cost of renovations greatly exceeds the amount of individual assistance available.

**Strategies**

**Approach to rehabilitation**

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

*Municipal rehab programs can help certain residents address issues of deferred property maintenance.* Municipalities in Submarket 4 may consider developing rehab grant or loan programs for certain income-qualified homeowners. Many municipalities around the region have developed these programs, some with the support of federal Community Development Block Grant (CDBG) funding (Oak Park, Evanston) and others through their own municipal sources (East Dundee). Neighborhood Lending Services, Inc. (NLS) offers fixed-rate home improvement loans in certain areas of the region and municipalities in these areas should assist NLS with marketing to residents. Municipalities may also want to consider partnering with local banks to explore the development of a rehab financing product for their residents. Read more about the many different models of rehabilitation programs in the region.

**Meeting the needs of aging residents**

As the region ages, it is critical for communities to address the housing needs of older adults.

*As the region ages, it is critical for communities to address the housing needs of older adults.* Many homeowners in Submarket 4 are aging and in need of high-quality housing options that fit their current stage in life. Submarket 4 communities may want to explore grant programs for aging-in-place that provide updates like bathroom grab bars that help older home owners stay in their homes. In addition, federally subsidized apartment buildings limited to seniors can provide important options for older residents on a fixed income. Finally, allowing higher-density residential development in Submarket 4 downtowns can help provide apartment and condo options for downsizing seniors to remain in the community.

## Submarket 5

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

*Rehab programs may be underutilized.* In response to deferred maintenance and code issues, many communities operate housing rehabilitation programs. These programs are not always heavily used, in part, because the cost of bringing the house up to code exceeds the funding available.

**Strategies**

**Approach to rehabilitation**

Municipal rehab programs can help certain residents address issues of deferred property maintenance.

*Municipal rehab programs can help certain residents address issues of deferred property maintenance.* Municipalities in Cluster 5 may consider developing rehab grant or loan programs for certain income-qualified homeowners. Many municipalities around the region have developed these programs, some with the support of federal Community Development Block Grant (CDBG) funding (Oak Park, Evanston) and others through their own municipal sources (East Dundee). Neighborhood Lending Services, Inc. (NLS) offers fixed rate home improvement loans in certain areas of the region. Municipalities in these areas should assist NHS with marketing to residents. Municipalities may also want to consider partnering with local banks to explore the development of a rehab financing product for their residents. Read more about the many different models of rehabilitation programs in the region.

| | | | | |
|---|---|---|---|---|
| Reputation | ✓ | | | |

## Submarket 1

*Negative perceptions about community conditions can constrain redevelopment potential.* Communities in Submarket 1 suffer from negative reputation issues, whether real or perceived, with the quality of the built environment, performance of local schools, proximity to amenities, and public safety.

**Strategies**

**Affirmative marketing**

Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.

*Since Submarket 1 communities may suffer from unfounded reputation issues, efforts to showcase the community's assets may help attract new residents and investment.* However, any marketing campaign must be based in frank self-assessment of existing assets and market realities. The "Why Berwyn?" campaign provides a good example of an asset-based approach to community marketing.

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| Tenure changes | | ✓ | | |

## Submarket 2

*Units may be changing from owner-occupied to renter-occupied.* In some ways, the change in tenure is beneficial: the market is finding ways to ensure that foreclosed units do not remain vacant. Yet, the change in tenure can have many impacts. More rental units may challenge the ability of communities to effectively monitor and manage the local rental stock due to the rapid increase in the number of

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |
| rental units. Such changes may also signal financing challenges, leaving potential owners as renters.<br><br>**Strategies**<br><br>**Rental unit monitoring and regulation**<br>Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.<br>*Effective municipal regulation, coupled with pro-active strategies and incentives, can improve rental quality and reduce problems.* With the number of rental properties in submarket 2, municipalities need to review the structure of their rental unit monitoring and regulation efforts to make sure that they are effectively maintaining the quality of the local rental stock in accordance with state law. Municipalities may want to consider implementing a performance-based rental regulation ordinance such as the one in place in the Village of Addison. Municipalities may also want to point owners of multifamily rental property to the abundance of resources at the Community Investment Corporation (CIC) for financing, energy efficiency, and property management training. Learn about best practice rental regulation strategies. | | | | |
| Weak market demand | | | | ● |

## Submarket 5

*Declining home values put homeowners at risk.* Homeowners in Submarket 5 may be particularly challenged due to declining housing values, which puts residents in this submarket the most at risk of having underwater mortgages.

### Strategies

#### Housing counseling

Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents.

*Communities should familiarize themselves with any HUD certified housing counseling agencies in their area and market their services to residents.* Housing Action Illinois provides information about housing counseling agencies across the region, which provide an array of housing programs and services. Residents can get access to financial management and budget counseling, mortgage delinquency and default counseling, pre-purchase education, one-on-one homeownership counseling, rental information, fair housing guidance, rehabilitation programs, reverse mortgage counseling, homeless prevention support, predatory lending education, and foreclosure prevention options.

#### Placemaking and marketing strategies

Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.

*Communities should develop strategies to create greater neighborhood identity in order to encourage additional private sector investment.* Municipalities can make a concerted effort to enhance neighborhood character in Submarket 5 through strategic public investments such as neighborhood branding/signage, streetlights, sidewalks, etc. Public sector investment will likely signal to the private market a commitment to an area and make it more attractive for additional resources. Learn about

| | Submarkets with primary focus | | | |
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| **Issue** | **1** | **2** | **4** | **5** |

placemaking strategies.

**Refinancing resources**

Municipalities should market IHDA's I-REFI program to homeowners who may be underwater on their mortgage.

*Municipalities should market IHDA's I-REFI program to homeowners who may be underwater on their mortgage.* For homeowners with underwater mortgages, the Illinois Housing Development Authority (IHDA) is offering a new program designed to help homeowners who are current on their mortgage payments but owe more than their home is worth due to declining property values in their community. Through the new I-REFI program, IHDA offers underwater homeowners up to $50,000 in federal assistance to reduce the balance owed on their mortgage and refinance into a new affordable loan based on the current market value of their home. This program may be of particular relevance in Submarket 5 municipalities and should be marketed to residents.

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